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OCS 702-71

11 MAY 1971

MEMORANDUM FOR: Deputy Director for Science and Technology

ATTENTION: Chief, Procurement Management Staff

SUBJECT: Contract Procedures

REFERENCE: Memorandum from DD/S&T to D/OCS; subject:  
Contract Procedures; dated 4 February 1971;  
DD/S&T 064/71

The attached paper "OCS Contracting Procedures" describes  
the general procedures and methods of review which are used by  
the Office of Computer Services to assure objectivity and impartiality  
in the selection of contractors.



JOHN D. IAMS  
Director of Computer Services  
DD/S&T

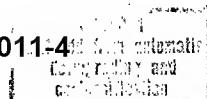
25X1

Attachment

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## OCS Contracting Procedures

### GENERAL

#### I. Authorities:

The following publications or directives provide basic guidelines and procedures for contracting activities:

- 25X1
- a. Project Officers Manual, Revised July 1970
- b. [redacted]
- c. Memorandum for Deputy Directors from Executive Director-Comptroller dated 21 April 1970, Subject: Approvals Concerning Acquisition of ADP Equipment and Services
- d. Various memorandums from General Services Administration relating specifically to ADP procurement.

#### II. Review Methods:

ADP procurement is reviewed at various levels of management and ultimately by the Office of Logistics to assure objectivity and impartiality in the selection of contractors.

- a. Computer supplies - The Chief of Operations normally makes recommendations to the Procurement Division, Office of Logistics as to the contractors who are considered from a technical viewpoint to provide satisfactory magnetic tape, paper forms, ribbons, paper tape, and similar computer supply items. The Procurement Division then generally purchases the required supplies from among a number of manufacturers who have submitted governmentwide bids on such supplies to the General Services Administration. Normally the low-bid contractor is selected unless technical problems, delivery schedules, or other factors make this impractical.
- b. Computer equipment - For most computer equipment the General Services Administration negotiates price and terms for a governmentwide annual contract. Since most of the computer equipment acquired by OCS is standard products,

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2

procurement is in accordance with the terms of these contracts and OCS rarely is involved in direct contract negotiations with an equipment manufacturer. For major computer acquisitions, selection is largely on the basis of published technical specifications for the equipment. These specifications are evaluated by planning activities in which all OCS division and staff chiefs participate. Beyond OCS these decisions are reviewed by the DD/S&T, the Information Processing Board, the Executive Director-Comptroller, and the Office of Logistics. When appropriate, coordination is also effected with the major computer center users. For peripheral equipment such as display terminals, typewriter terminals, and remote job entry equipment, selection is made on the basis of price, functional specifications, delivery schedules, reliability, and (in most cases) evaluation of the equipment by OCS personnel and user personnel after a period of temporary on-site test use provided by the manufacturer. At present an RFP is being prepared for the purposes of selecting a display terminal to replace IBM 2260s which the Office of Communications finds objectionable from the stand-point of emanations and installation of data transmission lines.

c. Computer software and programming support - Computer software and programming support contracts represent most of the situations in which OCS is directly involved in the negotiation of a contract with a vendor. Relatively few contracts are involved. In most cases the contracts represent continuing development efforts with a contractor who has a known technical expertise in a particular field of activity and a proven record of satisfactory performance in contracts for previous years. Computer software packages for various functions (file management, report generation, etc.) are evaluated by OCS Division and Staff Chiefs, office management, and, when appropriate, user personnel to select the most effective package for the requirement. New contracts for over \$25,000 are reviewed by the DD/S&T and for those over \$50,000 review is conducted by the Information Processing Board and the Executive Director-Comptroller.

III. Committees and Boards:

The following committees and boards are involved, when appropriate, with contractor selections:

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3

- a. OCS Technical Review Committee - Division Chiefs, Staff Chiefs, Deputy Director OCS, and other OCS members of the Director's staff.
- b. OCS Users Group - Any interested personnel from OCS and user components.
- c. Information Processing Board - Information processing representatives from each directorate and Chairman from O/PPB.

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